



## Council Communication

**TO:** HONORABLE MAYOR AND COUNCILMEMBERS

**FROM:** DAWN IRVINE, BUDGET MANAGER, 480-503-6828

**THROUGH:** MARC A. SKOCYPEC, DEPUTY TOWN MANAGER

**MEETING DATE:** OCTOBER 4, 2012

**SUBJECT:** YEAR END BUDGET REPORT FOR FY 2012-13

**STRATEGIC INITIATIVE:** Financial Plan

This report supports the Council's strategic initiative for a rolling five-year balanced financial plan by providing a "high-altitude" view of Gilbert's operating budget results for FY2012, and affording the Council with an opportunity to review and ask questions regarding those results.

**LEGAL REVIEW**

☐ Complete

☒ N/A

**FINANCIAL REVIEW**

☒ Complete

☐ N/A

**RECOMMENDED MOTION**

**A MOTION TO ACCEPT THE REPORT AS PRESENTED**

**BACKGROUND/DISCUSSION**

After years of successive decline, we have welcomed the slow increase in revenues with a cautious optimism. Local and state-shared sales tax collections have continued to improve. The Town also continues to lead the metropolitan area in residential permit activity, and corresponding revenues are improving as a result. It remains important to note that these levels are still significantly lower than what was seen at the peak of activity, but are probably more reflective of what has become known as "the new normal."

## **FINANCIAL IMPACT**

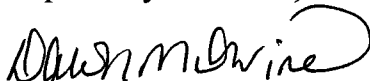
Local and state-shared sales tax are up from expectations, bringing the total General Fund revenues to 8.4%, or \$8.8 million over budget and 12.9% above actual collections over the same period last fiscal year. Single family residential permits are up considerably from the originally budgeted average of 100 permits per month, resulting in higher collections of system development fees than had been projected with the budget adoption. The Town continues to lead the valley in single family residential permit activity.

Staff is in the process of implementing a new budget model and process for the upcoming fiscal year to accommodate the changing fiscal environment and community needs. Thorough analysis of base budgets and detailed revenue assumptions will provide the Town with a solid foundation and framework for establishing a five-year balanced financial plan, and will position the Town to responsibly address a fiscally sustainable future.

## **STAFF RECOMMENDATION**

Acceptance of the June Budget Report as presented.

Respectfully submitted,



Dawn M. Irvine

Attachments and Enclosures:

June Monthly Budget Report  
System Development Fee Collections/Budget Results  
Permit Activity through June 2012

**Town of Gilbert - Expense Summary**  
**Fiscal Year 2011-2012**

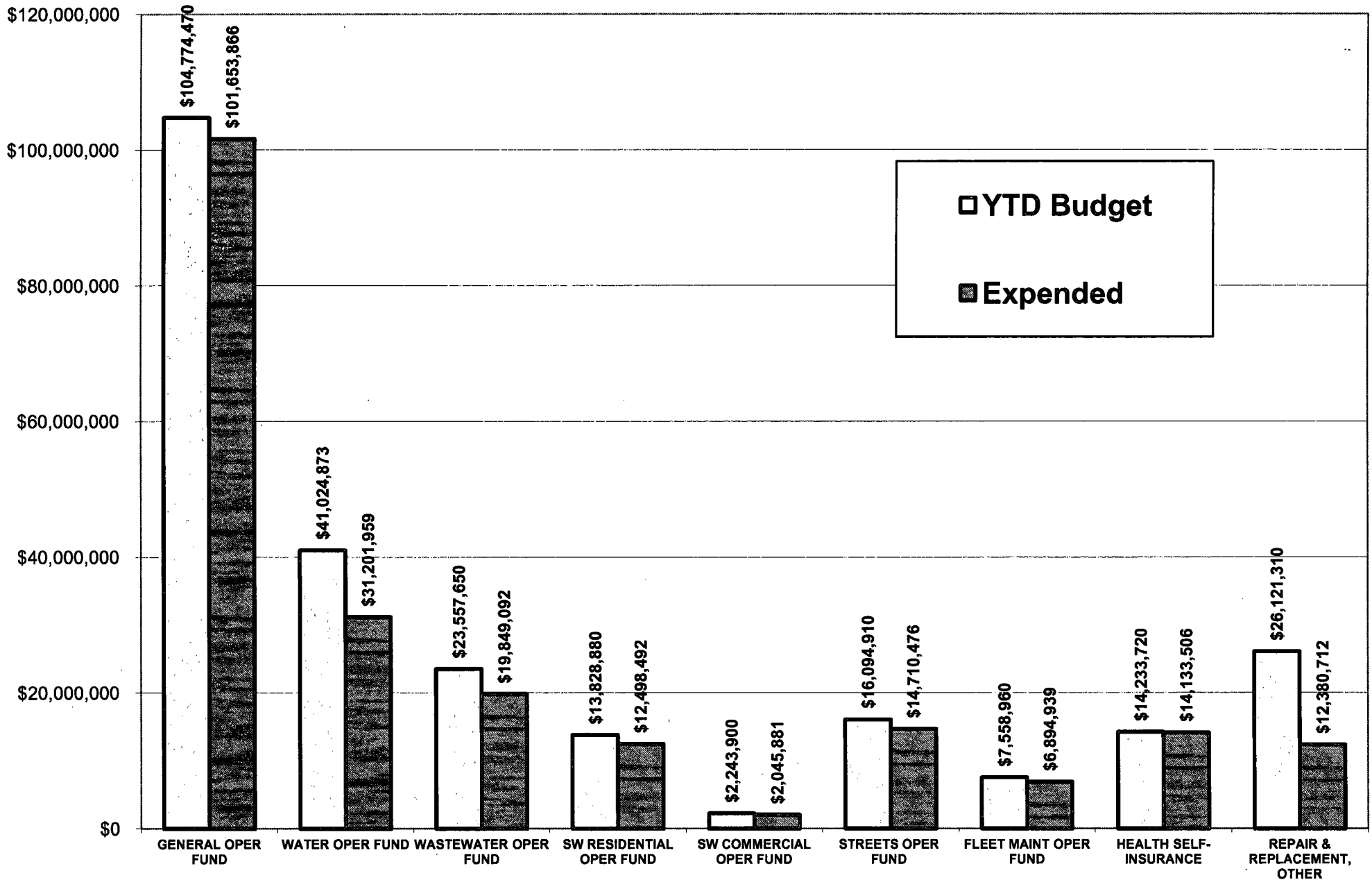
REPORT PERIOD THROUGH 6/30/2012	YTD BUDGET	YTD ACTUAL	VARIANCE (Over) / Under	2011-12 BUDGET
GENERAL OPER FUND	\$ 104,774,470	\$ 101,653,866	\$ 3,120,604	\$ 104,774,470
WATER OPER FUND	41,024,873	31,201,959	9,822,914	41,009,950
WASTEWATER OPER FUND	23,557,650	19,849,092	3,708,558	23,557,650
SW RESIDENTIAL OPER FUND	13,828,880	12,498,492	1,330,388	13,828,880
SW COMMERCIAL OPER FUND	2,243,900	2,045,881	198,019	2,243,900
STREETS OPER FUND	16,094,910	14,710,476	1,384,434	16,094,910
FLEET MAINT OPER FUND	7,558,960	6,894,939	664,021	7,558,960
HEALTH SELF-INSURANCE	14,233,720	14,133,506	100,214	14,233,720
REPAIR & REPLACEMENT, OTHER	26,121,310	12,380,712	13,740,598	26,121,310
<b>TOTAL</b>	<b>\$ 249,438,673</b>	<b>\$ 215,368,923</b>	<b>\$ 34,069,750</b>	<b>\$ 249,423,750</b>

**GENERAL FUND**

Management & Policy	\$ 3,530,080	\$ 3,662,288	\$ (132,208)	\$ 3,523,080
Finance	1,818,090	1,709,606	108,484	1,821,060
Support Services	9,576,166	9,278,393	297,773	9,434,750
Legal & Court	4,275,920	4,285,635	(9,715)	4,275,920
Development Services	6,508,600	6,541,590	(32,990)	6,508,600
Police	36,680,650	34,464,186	2,216,464	36,344,550
Fire	20,900,690	21,184,961	(284,271)	20,891,490
Community Services	11,210,460	10,662,742	547,718	11,122,460
Non-Departmental	4,687,754	4,414,452	273,302	5,616,500
Transfers	8,124,060	5,450,013	2,674,047	8,124,060
Budget Savings	(2,538,000)	-	(2,538,000)	(2,888,000)
<b>TOTAL GENERAL OPER FUND</b>	<b>\$ 104,774,470</b>	<b>\$ 101,653,866</b>	<b>\$ 3,120,604</b>	<b>\$ 104,774,470</b>
<b>GENERAL FUND R&amp;R</b>	<b>\$ 5,945,180</b>	<b>\$ 776,379</b>	<b>\$ 5,168,801</b>	<b>\$ 5,945,180</b>
<b>TOTAL GENERAL FUNDS</b>	<b>\$ 110,719,650</b>	<b>\$ 102,430,245</b>	<b>\$ 8,289,405</b>	<b>\$ 110,719,650</b>

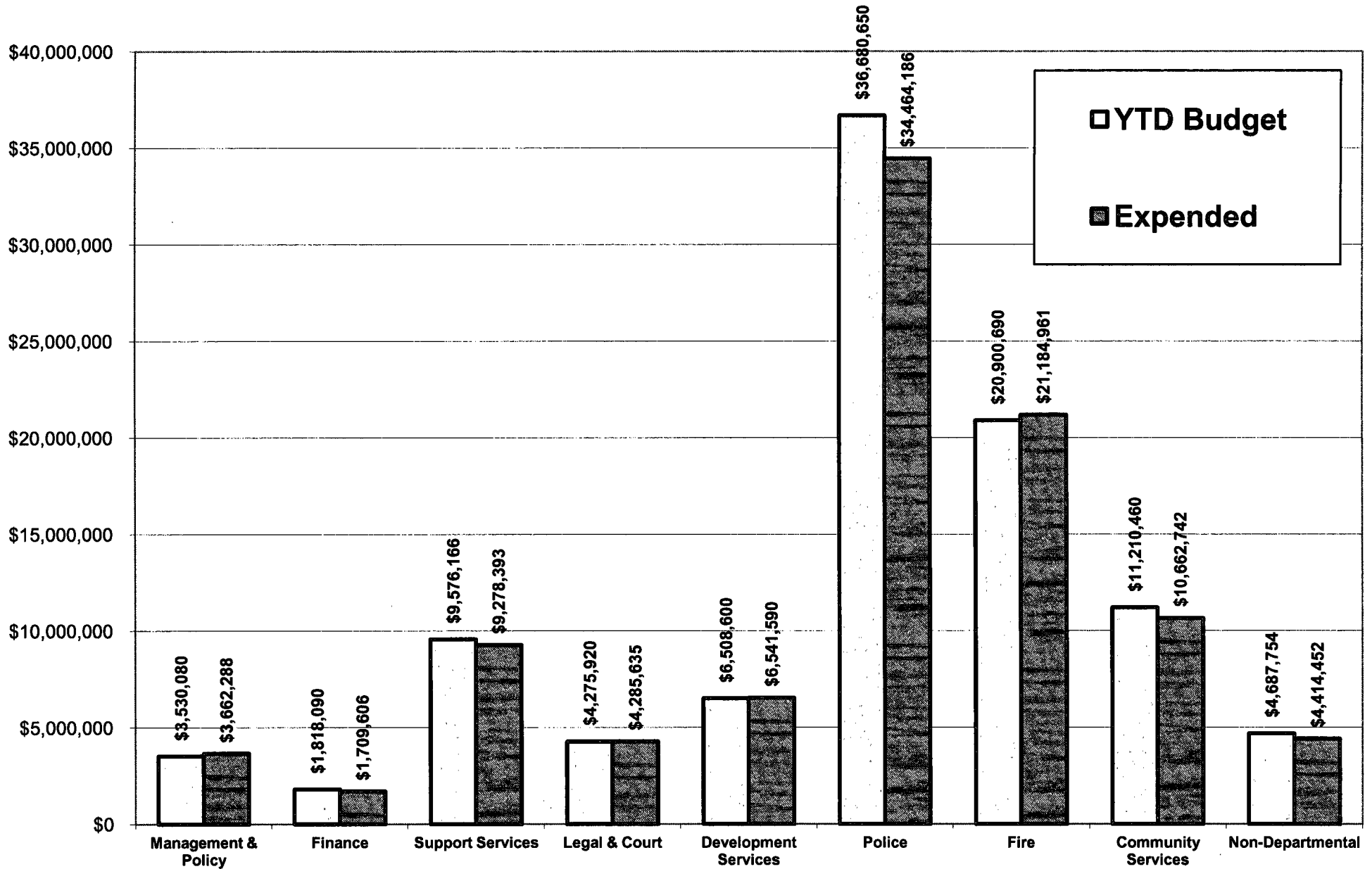
# GILBERT EXPENSES

## Total Operating Expense Budget to Actual Comparison through June 2012



# GILBERT EXPENSES

## General Fund Operating Expense Budget to Actual Comparison through June 2012



**Town of Gilbert - Revenue Summary**  
**Fiscal Year 2011-2012**

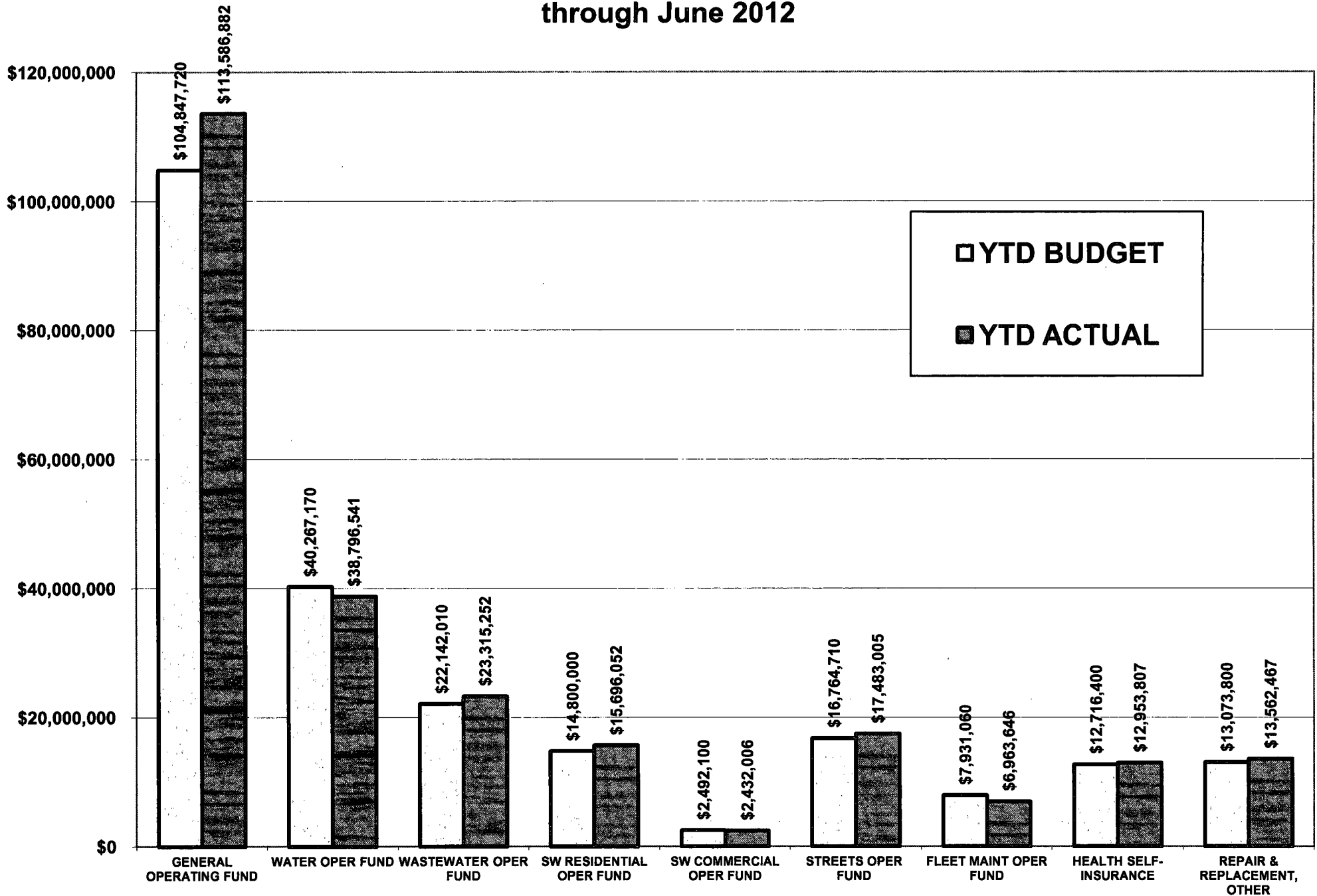
REPORT PERIOD THROUGH 6/30/2012	YTD BUDGET	YTD ACTUAL	YTD VARIANCE Over / (Under)	2011-12 YE Estimate
GENERAL OPERATING FUND	\$ 104,847,720	\$ 113,586,882	\$ 8,811,310	\$ 111,931,970
WATER OPER FUND	40,267,170	38,796,541	(1,470,629)	38,000,000
WASTEWATER OPER FUND	22,142,010	23,315,252	1,173,242	22,500,000
SW RESIDENTIAL OPER FUND	14,800,000	15,696,052	896,052	15,000,000
SW COMMERCIAL OPER FUND	2,492,100	2,432,006	(60,094)	2,400,000
STREETS OPER FUND	16,764,710	17,483,005	718,295	16,764,710
FLEET MAINT OPER FUND	7,931,060	6,963,646	(967,414)	7,931,060
HEALTH SELF-INSURANCE	12,716,400	12,953,807	237,407	12,716,400
REPAIR & REPLACEMENT, OTHER	13,073,800	13,562,467	416,519	13,008,800
<b>TOTAL</b>	<b>\$ 235,034,970</b>	<b>\$ 244,789,658</b>	<b>\$ 9,754,688</b>	<b>\$ 240,252,940</b>

**GENERAL FUND:**

Non-Allocated				
Privilege License Tax	\$ 48,682,000	\$ 53,693,725	\$ 5,011,725	\$ 52,800,000
CATV Franchise Fee	1,579,140	1,569,973	(9,167)	1,579,140
Electric Franchise	370,170	367,344	(2,826)	370,170
Natural Gas Franchise	494,900	525,410	30,510	494,900
State Shared Privilege License Tax	13,554,200	16,288,580	2,734,380	15,800,000
Urban Revenue Sharing	17,595,000	17,593,587	(1,413)	17,595,000
SRP in Lieu	1,351,480	1,331,051	(20,429)	1,351,480
Investment Income	252,000	247,469	(4,531)	150,000
Other Non-Allocated Revenue	186,850	593,823	406,973	225,000
Management and Policy	12,000	15,662	3,662	12,000
Finance	735,700	877,499	141,799	735,700
Support Services	216,500	237,341	20,841	216,500
Legal and Court	101,600	230,139	128,539	200,000
Development Services	3,039,420	5,352,755	2,313,335	4,000,000
Police	4,168,500	4,442,846	274,346	4,168,500
Fire	1,185,000	1,198,637	13,637	1,185,000
Community Services	3,284,680	2,967,158	(317,522)	2,900,000
Transfer Revenue	8,038,580	6,053,883	(1,984,697)	8,038,580
<b>TOTAL GENERAL OPERATING FUND</b>	<b>\$ 104,847,720</b>	<b>\$ 113,586,882</b>	<b>\$ 8,739,162</b>	<b>\$ 111,821,970</b>
<b>GENERAL FUND R&amp;R</b>	<b>65,000</b>	<b>137,148</b>	<b>72,148</b>	<b>\$ 110,000</b>
<b>TOTAL GENERAL FUND</b>	<b>\$ 104,912,720</b>	<b>\$ 113,724,030</b>	<b>\$ 8,811,310</b>	<b>\$ 111,931,970</b>

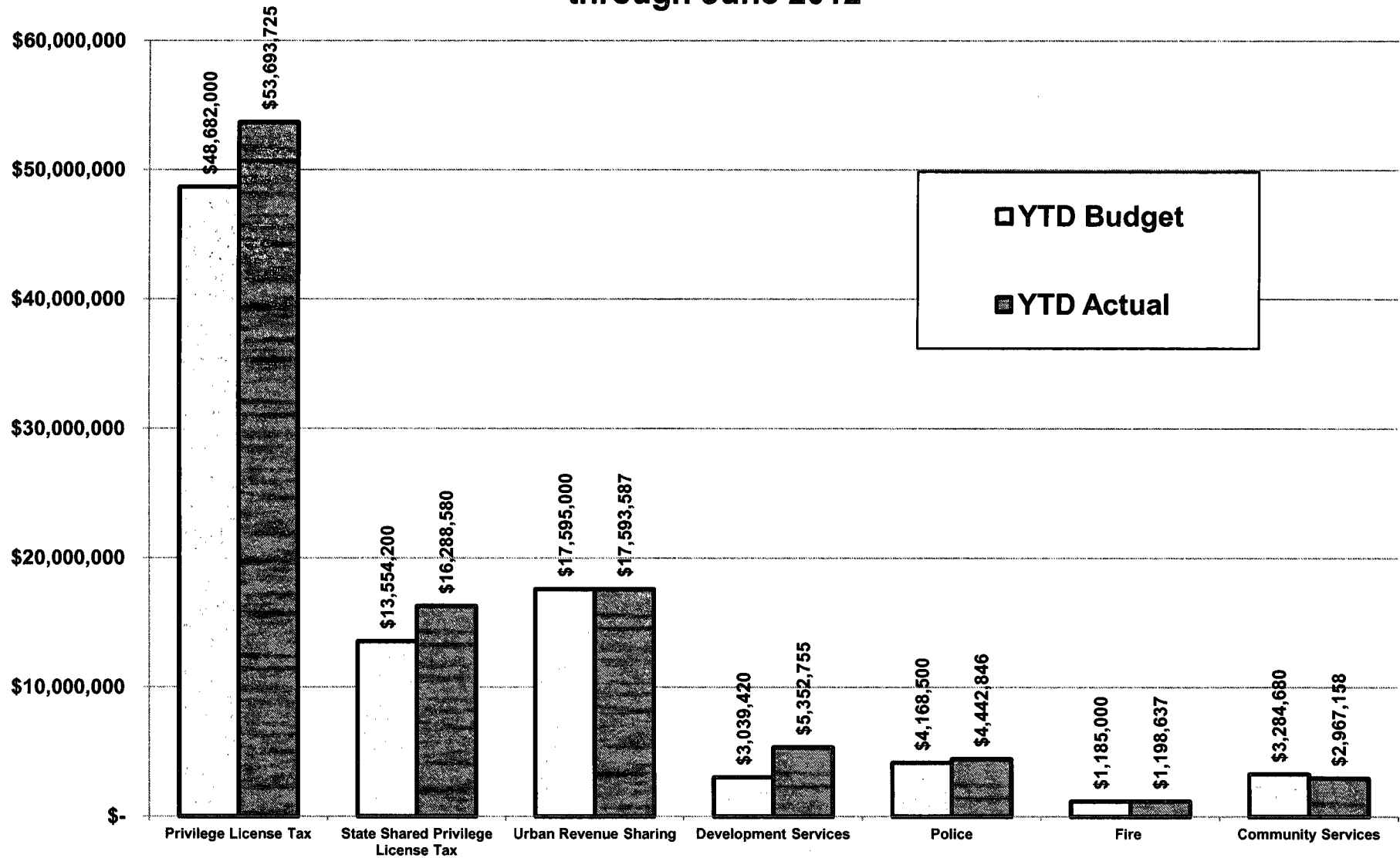
# GILBERT REVENUES

## Total Operating Revenue Budget to Actual Comparison through June 2012



# GILBERT REVENUES

## Major General Fund Operating Revenue Budget to Actual Comparison through June 2012





**GILBERT REVENUES**  
**System Development Fee Revenue Budget to Actual Comparison**  
**FY 2012 YTD - June 30, 2012**

	YTD BUDGET	YTD ACTUAL	YTD VARIANCE Over / (Under)	2011-12 BUDGET	BACK-UP FUND
Traffic Signal SDF	\$ 689,000	\$ 1,282,982	593,982	\$ 689,000	General
Police SDF	\$ 680,000	\$ 1,760,288	1,080,288	\$ 680,000	General
Fire SDF	\$ 1,139,000	\$ 2,568,415	1,429,415	\$ 1,139,000	General
General SDF	\$ 745,000	\$ 1,349,124	604,124	\$ 745,000	General
Parks and Recreation SDF	\$ 4,092,000	\$ 11,103,587	7,011,587	\$ 4,092,000	General
Water SDF	\$ 6,050,000	\$ 19,013,657	12,963,657	\$ 6,050,000	Water
Water Resources SDF	\$ 1,626,000	\$ 3,998,932	2,372,932	\$ 1,626,000	Water
Wastewater SDF	\$ 5,807,340	\$ 21,055,974	15,248,634	\$ 5,807,340	Wastewater
	<u>\$ 20,828,340</u>	<u>\$ 62,132,959</u>	<u>\$ 41,304,619</u>	<u>\$ 20,828,340</u>	

**GILBERT FUND BALANCE**  
**System Development Fee Funds**  
**FY 2012 YTD - June 30, 2012**

FUND	BEGINNING BALANCE	SDF REVENUES	ACTUAL EXPENSES	ESTIMATED BALANCE	BACK-UP FUND
Traffic Signal SDF	\$ 1,165,594	\$ 1,282,982	\$ 68,283	\$ 2,380,293	General
Police SDF	\$ (178,907)	\$ 1,760,288	\$ 2,662,763	\$ (1,081,382)	General
Fire SDF	\$ (18,070,210)	\$ 2,568,415	\$ 659,953	\$ (16,161,748)	General
General SDF	\$ (3,787,197)	\$ 1,349,124	\$ 2,320,377	\$ (4,758,450)	General
Parks and Recreation SDF	\$ 7,626,817	\$ 11,103,587	\$ 4,456,380	\$ 14,274,024	General
Water SDF	\$ 22,272,840	\$ 19,013,657	\$ 22,599,650	\$ 18,686,847	Water
Water Resources SDF	\$ 11,847,129	\$ 3,998,932	\$ 4,882,298	\$ 10,963,763	Water
Wastewater SDF	\$ (38,680,549)	\$ 21,055,974	\$ 6,112,312	\$ (23,736,887)	Wastewater

# Single Family Building Permits for Selected Jurisdictions

	2010	2011	2012												CYTD RANK	
	TOTAL	TOTAL	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	
Apache Junction	104	57	19	8	13	26	24	31							121	15
Avondale	59	23	1	0	0	0	0	0							1	19
Buckeye	385	508	30	37	53	97	98	62							377	6
Casa Grande	136	69	4	8	1	13	7	8							41	17
Chandler	516	669	49	60	72	69	52	63							365	8
Coolidge	0	6	0	0	0	0	0	0							0	20
Florence	177	107	7	7	8	4	20	22							68	16
Gilbert	1,062	1,545	149	262	286	290	295	228							1,510	1
Glendale	74	143	13	19	39	22	41	22							156	12
Goodyear	511	592	53	65	83	80	125	75							481	4
Maricopa	188	120	7	8	31	40	42	32							160	11
Maricopa County	338	352	29	54	42	52	57	56							290	10
Mesa	486	486	50	40	73	80	113	103							459	5
Paradise Valley	25	22	3	6	4	3	1	3							20	18
Peoria	440	430	48	56	50	53	91	75							373	7
Phoenix	1,161	1,053	94	120	133	194	176	150							867	2
Pinal County	914	558	49	66	96	74	88	133							506	3
Queen Creek	161	116	13	19	10	56	19	22							139	13
Scottsdale	151	149	19	21	24	18	22	23							127	14
Surprise	204	220	28	32	33	65	79	55							292	9
Tolleson	0	0	0	0	0	0	0	0							0	0
Total	7,092	7,225	665	888	1,051	1,236	1,350	1,163							6,353	
% of Metro	15.2%	21.4%	22.4%	29.5%	27.2%	23.5%	21.9%	19.6%							23.8%	
% of East Valley	48.5%	52.1%	53.2%	65.2%	61.5%	56.5%	58.9%	51.9%							58.1%	